

AMENDED IN ASSEMBLY MAY 27, 2014

AMENDED IN ASSEMBLY APRIL 21, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

## ASSEMBLY BILL

**No. 2672**

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**Introduced by Assembly Member Perea**

February 21, 2014

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An act to add Section 783.5 to the Public Utilities Code, relating to energy.

### LEGISLATIVE COUNSEL'S DIGEST

AB 2672, as amended, Perea. ~~Gas: extension of service: Access to energy: disadvantaged communities: communities: San Joaquin Valley.~~

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical and gas corporations, as defined. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Existing law requires the commission to establish various programs that provide assistance to low-income electric and gas customers.

This bill would require the ~~commission by December 1, 2015, to develop a program, through an existing or new proceeding, to enable disadvantaged communities in the San Joaquin Valley to finance the cost of extending natural gas service within those communities. The bill would impose specified requirements on a gas corporation that provides natural gas service in the San Joaquin Valley in connection with the program. The bill would require the commission to identify potential sources of funds that may be allocated to the program to reduce the cost to disadvantaged communities of extending gas service under~~

~~the program.~~ commission to require a gas corporation that provides natural gas service in the San Joaquin Valley, by January 31, 2015, to identify disadvantaged communities in the San Joaquin Valley that do not have natural gas service. The bill would require the commission, by March 31, 2015, to initiate a new proceeding to conduct an affordable energy feasibility study for those communities. The bill would require the commission to determine whether any option analyzed in the study would increase access to affordable energy in an economically viable manner. For these options, the bill would require the commission to take appropriate action and to determine appropriate funding sources.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. The Legislature finds and declares the following:  
2     (a) Many low-income communities throughout California's San  
3     Joaquin Valley lack access to natural gas lines.  
4     (b) Increasing access to ~~natural gas~~ affordable energy can  
5     improve the health, safety, and ~~financial security~~ air quality of  
6     these communities.  
7     ~~(c) Increasing access to natural gas has the potential of~~  
8     ~~improving energy affordability and air quality.~~  
9     SEC. 2. Section 783.5 is added to the Public Utilities Code, to  
10    read:  
11    783.5. (a) The commission shall require a gas corporation  
12    that provides natural gas in the San Joaquin Valley, by January  
13    31, 2015, to identify disadvantaged communities in the San Joaquin  
14    Valley that do not have natural gas service.  
15    (b) The commission shall, by March 31, 2015, initiate a new  
16    proceeding to conduct an affordable energy feasibility study for  
17    communities identified pursuant to subdivision (a). The study shall  
18    include analysis of the economic feasibility of the following  
19    options:  
20    (1) Extending gas pipelines to the communities.  
21    (2) Increasing subsidies for electricity for individuals in those  
22    communities.  
23    (3) Other alternatives that would increase access to affordable  
24    energy that the commission deems appropriate.

1     (c) *The commission shall determine whether any of the options*  
2 *analyzed in the study would increase access to affordable energy*  
3 *in an economically viable manner. For these options, the*  
4 *commission shall take appropriate action and determine*  
5 *appropriate funding sources.*

6     ~~SEC. 2.— Section 783.5 is added to the Public Utilities Code, to~~  
7 ~~read:~~

8     ~~783.5. (a) The commission shall develop a program by~~  
9 ~~December 1, 2015, through an existing or new proceeding, to~~  
10 ~~enable disadvantaged communities in the San Joaquin Valley to~~  
11 ~~finance the cost of extending natural gas service within those~~  
12 ~~communities.~~

13     ~~(b) The commission shall require a gas corporation that provides~~  
14 ~~natural gas service in the San Joaquin Valley to do the following:~~

15     ~~(1) Identify disadvantaged communities in the San Joaquin~~  
16 ~~Valley that do not have gas service.~~

17     ~~(2) Assess the cost of extending gas lines to disadvantaged~~  
18 ~~communities.~~

19     ~~(3) Work with disadvantaged communities and local agencies~~  
20 ~~that desire gas service to develop and implement a financing plan~~  
21 ~~to provide gas service to those disadvantaged communities.~~

22     ~~(e) The commission shall identify potential sources of funds~~  
23 ~~available for the program, including funds from ratepayers within~~  
24 ~~each disadvantaged community desiring gas service, funds~~  
25 ~~generated from the surcharge imposed on natural gas pursuant to~~  
26 ~~Section 890, or any other sources of funds that may be allocated~~  
27 ~~to the program to reduce the cost to disadvantaged communities~~  
28 ~~of extending gas service under the program.~~